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Jiu Rong Holdings Limited 久融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2358)

SECOND UNAUDITED INTERIM RESULTS ANNOUNCEMENT FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2024

The board of directors (the "Directors") (the "Board") of Jiu Rong Holdings Limited (the "Company") are pleased to present unaudited interim results of the Company and its subsidiaries (the "Group") for the twelve months ended 31 December 2024 (the "Period") together with the comparative figures for the corresponding period in 2023 are as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the twelve months ended 31 December 2024

	Notes	Twelve months ended 31 December	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Audited)
Revenue	4	786,941	471,779
Cost of sales		(712,838)	(410,040)
Gross profit		74,103	61,739
Other income	5	16,911	39,496
Other gains and losses, net	6	7,353	(247,875)
Selling and distribution costs		(39,333)	(48,865)
Administrative expenses		(45,424)	(43,351)
Other operating expenses		(15,058)	(4,919)
Finance costs	7	(53,314)	(55,090)
Share of gain/(loss) of associates		12,836	(87,096)
Loss before income tax	8	(41,926)	(385,961)
Income tax (expense)/credit	9	(3,522)	2,668
Loss after income tax for the period		(45,448)	(383,293)

		Twelve months ended	
		31 December	
		2024	2023
		HK\$'000	HK\$'000
	Notes	(Unaudited)	(Audited)
Other comprehensive expenses for the period, net of tax:			
Items that will not be reclassified to profit or loss:			
Fair value changes of equity investments at fair value through other comprehensive income		(7,496)	(539)
Items that may be reclassified to profit or loss:			
Share of associates' exchange difference on translating foreign operation		(6,773)	(7,828)
Exchange differences on translation of foreign operations		6,383	(958)
		(390)	(8,786)
OTHER COMPREHENSIVE EXPENSES FOR THE PERIOD, NET OF TAX		(7,886)	(9,325)
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD ATTRIBUTABLE TO OWNERS OF THE COMPANY		(53,334)	(392,618)
Loss per share (HK cents)			
– Basic and diluted	10	(0.83)	(7.00)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Notes	As at 31 December 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	12	310,475	400,218
Investment properties		712,303	736,434
Right-of-use assets		11,780	13,704
Investment in associates		202,710	196,563
Deferred tax assets		119	119
Equity investments at fair value through other comprehensive income		23,883	34,737
		1,261,270	1,381,775
CURRENT ASSETS			
Inventories		10,824	22,008
Properties held for sale		81,580	81,698
Trade receivables	13	351,204	394,453
Prepayments, deposits and other receivables		318,739	293,402
Tax recoverable		533	–
Investments at fair value through profit or loss		22,682	17,100
Pledged bank deposits		39,483	40,975
Cash and cash equivalents		3,976	4,247
		829,021	853,883
CURRENT LIABILITIES			
Trade and notes payables	14	720,259	1,221,696
Other payables and accruals		294,159	62,583
Lease liabilities		3,469	3,889
Contract liabilities		50,878	50,206
Bank and other loans	15	685,331	329,417
Deferred government grant		10,145	9,726
Tax payable		–	409
		1,764,241	1,677,926
NET CURRENT LIABILITIES		(935,220)	(824,043)
TOTAL ASSETS LESS CURRENT LIABILITIES		326,050	557,732

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		As at 31 December 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
	Notes		
NON-CURRENT LIABILITIES			
Lease liabilities		9,508	10,843
Deferred government grant		21,182	35,982
Deferred tax liabilities		81,345	82,114
Bank and other loans	15	184,413	345,857
		296,448	474,796
NET ASSETS			
		29,602	82,936
EQUITY			
Equity attributable to owners of the Company			
Issued capital	16	547,200	547,200
Reserves	18	(517,598)	(464,264)
TOTAL EQUITY			
		29,602	82,936

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the twelve months ended 31 December 2024

	Attributable to owners of the Company								
	Issued capital	Share premium account*	Contributed surplus*	Statutory surplus reserve*	Foreign currency translation reserve*	Equity investment revaluation reserve*	Share-based payment reserve*	Accumulated losses*	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
For the twelve months ended									
31 December 2023									
At 1 January 2023 (Audited)	547,200	179,968	4,990	18,095	(17,703)	(3,024)	27,359	(281,331)	475,554
Total comprehensive expenses for the period (Audited)	-	-	-	-	(8,786)	(539)	-	(383,293)	(392,618)
Transfer to statutory surplus reserve (Audited)	-	-	-	1,552	-	-	-	(1,552)	-
At 31 December 2023 (Audited)	547,200	179,968	4,990	19,647	(26,489)	(3,563)	27,359	(666,176)	82,936
For the twelve months ended									
31 December 2024									
At 1 January 2024 (Audited)	547,200	179,968	4,990	19,647	(26,489)	(3,563)	27,359	(666,176)	82,936
Total comprehensive expenses for the period (Unaudited)	-	-	-	-	(390)	(7,496)	-	(45,448)	(53,334)
Disposed of equity investments at fair value through other comprehensive income (Unaudited)	-	-	-	-	-	105	-	(105)	-
Transfer to statutory surplus reserve (Unaudited)	-	-	-	2,816	-	-	-	(2,816)	-
At 31 December 2024 (Unaudited)	547,200	179,968	4,990	22,463	(26,879)	(10,954)	27,359	(714,545)	29,602

* These reserve accounts comprise the consolidated reserves in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the twelve months ended 31 December 2024

	Twelve months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Net cash outflow from operating activities	(408,288)	(1,156)
Net cash inflow from investing activities	247,371	77,194
Net cash inflow/(outflow) from financing activities	164,053	(166,628)
Net increase/(decrease) in cash and cash equivalents	3,136	(90,590)
Cash and cash equivalents at beginning of the period	4,247	95,970
Net foreign exchange difference	(3,407)	(1,133)
Cash and cash equivalents at end of period	3,976	4,247

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

1. BASIS OF PREPARATION

As disclosed in the Company's announcement dated 17 December 2024, the board of directors of the Company (the "Directors" and the "Board", respectively) resolved to change the financial year end date of the Company from 31 December to 30 June commencing from the financial period from 1 January 2024 to 30 June 2025. Accordingly, the condensed consolidated financial statements for the current period cover a twelve-month period from 1 January 2024 to 31 December 2024.

These unaudited condensed financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

2. MATERIAL ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements for the twelve months ended 31 December 2024 (the "unaudited condensed consolidated interim financial statements") have been prepared on the historical cost basis, as modified by revaluation of investment properties, investments at fair value through profit or loss and equity investments at fair value through other comprehensive income which are carried at their fair values. They are presented in Hong Kong Dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

The unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements for the twelve months ended 31 December 2023. The accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements are the same as those followed in the preparation of the Group's audited consolidated financial statements for the twelve months ended 31 December 2023.

The Group has not yet adopted any new and amendments to HKFRSs that have been issued but are not yet effective. The Group is in the process of assessing the impact of the adoption of such new and amendments to HKFRSs on the Group's results and financial position.

Going concern basis

The Group incurred a loss of approximately HK\$45,448,000 for the twelve months ended 31 December 2024 and as at 31 December 2024, the Group had net current liabilities of approximately HK\$935,220,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Having taken into account (i) the Group has undertaken the task of coordinating with an indirect shareholder of the Company a proposed plan to dispose certain assets pertaining to the Group's properties development and properties investment business, the sales proceeds of which are anticipated to be received in accordance with a timeline stipulated by the Group; (ii) the Group will negotiate with its bankers and an indirect shareholder of the Company for the renewal of the loans when they fall due and obtain new facilities; and (iii) the estimated proceeds from the placing of shares (if any), the directors are satisfied that the Group will have sufficient working capital for its present requirements. The directors are therefore of the opinion that it is appropriate to prepare the condensed consolidated financial statements on a going concern basis. Should the Group be unable to continue as a going concern, adjustments would have to be made to the condensed consolidated financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

3. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

(a) Disclosures of level in fair value hierarchy at 31 December 2024:

Description	Fair value measurements using:			Total HK\$'000 (Unaudited)
	Level 1 HK\$'000 (Unaudited)	Level 2 HK\$'000 (Unaudited)	Level 3 HK\$'000 (Unaudited)	
Recurring fair value measurements:				
Investments at fair value through profit or loss				
Listed securities inside				
Hong Kong	22,682	–	–	22,682
Equity investments at fair value through other comprehensive income				
– Listed securities outside				
Hong Kong	15,780	–	–	15,780
– Unlisted equity investments	–	–	8,103	8,103
Total recurring fair value measurements	38,462	–	8,103	46,565

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

3. FAIR VALUE MEASUREMENTS (continued)

(a) (continued)

Disclosures of level in fair value hierarchy at 31 December 2023:

Description	Fair value measurements using:			Total HK\$'000 (Audited)
	Level 1	Level 2	Level 3	
	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)	
Recurring fair value measurements:				
Investments at fair value through profit or loss				
– Listed securities inside Hong Kong	17,100	–	–	17,100
Equity investments at fair value through other comprehensive income				
– Listed securities outside Hong Kong	24,206	–	–	24,206
– Unlisted equity investments	–	–	10,531	10,531
Total recurring fair value measurements	41,306	–	10,531	51,837

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

3. FAIR VALUE MEASUREMENTS (continued)

(b) Reconciliation of assets and liabilities measured at fair value based on level 3

Description	Equity investments at fair value through other comprehensive income Unlisted equity investments HK\$'000	Total HK\$'000
At 1 January 2024 (audited)	10,531	10,531
Total gains or losses recognised in other comprehensive income ^(#) (unaudited)	47	47
Disposal (unaudited)	(2,168)	(2,168)
Exchange difference (unaudited)	(307)	(307)
At 31 December 2024 (unaudited)	8,103	8,103

Description	Equity investments at fair value through other comprehensive income Unlisted equity investments HK\$'000	Total HK\$'000
At 1 January 2023 (audited)	10,493	10,493
Total gains or losses recognised in other comprehensive income ^(#) (audited)	332	332
Exchange difference (audited)	(294)	(294)
At 31 December 2023 (audited)	10,531	10,531

[#] The total gains or losses recognised in other comprehensive income are presented in fair value changes in the condensed consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

3. FAIR VALUE MEASUREMENTS (continued)

- (c) Disclosures of valuation process used by the Group and valuation techniques and inputs used in fair value measurements:

The Directors are responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The accountant reports to the Board of Directors for these fair value measurements.

The Group engages external valuation experts with the recognised professional qualifications and recent experience to perform the valuations at the end of each reporting period.

Level 3 fair value measurements

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2024 HK\$'000
Investments at fair value through other comprehensive income – Unlisted equity investments	Share of net assets	N/A	N/A	N/A	8,103

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value 2023 HK\$'000
Investments at fair value through other comprehensive income – Unlisted equity investments	Share of net assets	N/A	N/A	N/A	10,531

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

4. SEGMENT INFORMATION

The chief operating decision-maker has been identified as the Board. The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Reportable segments

The Group has six reportable segments during the Period (twelve months ended 31 December 2023: six segments). The following summary describes the operations in the Group's reportable segments:

(i) *Digital Video Business*

The Group through its wholly owned subsidiaries, Soyea Jiu Rong Technology Co., Ltd.* (數源久融技術有限公司) ("Soyea Jiu Rong") and Zhe Jiang Jiu Rong Intelligent Technology Limited* ("Jiu Rong Intelligent") (浙江久融智能技術有限公司) carries out manufacturing and sales of digital television ("TV"), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of tele-communication, TV and internet in the digital audio visual industry.

(ii) *New Energy Vehicles Business*

The Group through its wholly owned subsidiary, Jiu Rong New Energy Science and Technology Limited* (久融新能源科技有限公司) ("Jiu Rong New Energy") carries out the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems and processing services in relation to new energy vehicles spare parts.

(iii) *Cloud Ecological Big Data Business*

The Group through its wholly owned subsidiary, Hangzhou Yunqi Cloud Data Limited* (杭州雲棲雲數據有限公司) ("Yunqi Cloud Data") carries out the application and management of cloud ecological big data.

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

4. SEGMENT INFORMATION (continued)

Reportable segments (continued)

(iv) *Properties Development*

The Group through its wholly owned subsidiary, Hangzhou Lu Yun Property Limited* (杭州綠雲置業有限公司) carries out the properties development of big data industrial park and sale of construction materials in Hangzhou. It is expected that the park will establish a “Cloud Ecological System” to build a new generation of information technology (such as AR/VR, face recognition, digital maps, etc.) and communication technology, such as Internet of Things, big data, cloud computing, (such as 5G, LTE-V, NB-IOT, etc.) throughout the cloud industry park in all aspects, to create the country’s first all-intelligent perception, interoperability cloud ecological park. The Group invested 46% equity interests of Heilongjiang Xin Luzhou Real Estate Development Limited* (黑龍江新綠洲房地產開發有限公司) (“Xin Luzhou”). Xin Luzhou principally engages in the development of industrial park, commercial and residential properties in Limin Avenue, Limin Development Zone, Harbin, the PRC. In 2022, the Group also invested in Wen Zhou Jing Du Guan Rong Technology Co., Ltd (“Jing Du Guan Rong”)* (溫州市景都冠榮科技有限公司) and holds 48% equity interests in this associate. Jing Du Guan Rong principally engages in properties development in Wen Zhou, the PRC. In the fourth quarter of 2023, Jing Du Guan Rong terminated the property development project and applied to the relevant government authorities to withdraw the land-use rights. Currently, the Group’s carrying amount of the interest in Jing Du Guan Rong is HK\$Nil.

(v) *Properties Investment*

The Group through its wholly owned subsidiary, Hangzhou Lu Yun Property Limited* (杭州綠雲置業有限公司) to conduct the properties investment for rental income from the big data industrial park in Hangzhou.

(vi) *General Trading*

The Group through certain wholly owned subsidiaries to conduct handling and agency services for general trading of commodities and goods.

* For identification purpose only

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

4. SEGMENT INFORMATION (continued)

The revenue and gain generated by each of the Group's operating segments and segment assets are summarised as follows:

Twelve months ended 31 December 2024

	Digital Video Business HK\$'000 (Unaudited)	New Energy Vehicles Business HK\$'000 (Unaudited)	Cloud Ecological Big Data Business HK\$'000 (Unaudited)	Properties Developments HK\$'000 (Unaudited)	Properties Investment HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reporting segment revenue from external customers	495,106	269,194	3,879	-	18,762	786,941
Reporting segment profit/(loss) before income tax						
- the Company and its subsidiaries	(158,600)	90,696	(13,908)	-	25,956	(55,856)
- associates	-	-	-	12,836	-	12,836
	(158,600)	90,696	(13,908)	12,836	25,956	(43,020)
	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	HK\$'000 (Unaudited)
Segment assets and liabilities						
As at 31 December 2024						
Reporting segment assets	642,608	406,439	208,314	81,580	719,939	2,058,880
Reporting segment liabilities	(875,389)	(612,773)	(225,391)	(29,093)	(316,145)	(2,058,791)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

4. SEGMENT INFORMATION (continued)

Twelve months ended 31 December 2023

	Digital Video Business HK\$'000 (Audited)	New Energy Vehicles Business HK\$'000 (Audited)	Cloud Ecological Big Data Business HK\$'000 (Audited)	Properties Developments HK\$'000 (Audited)	Properties Investment HK\$'000 (Audited)	General Trading HK\$'000 (Audited)	Total HK\$'000 (Audited)
Reporting segment revenue from external customers	229,223	211,277	2,799	1,294	23,328	3,858	471,779
Reporting segment profit/(loss) before income tax							
– the Company and its subsidiaries	(182,943)	(146)	(8,220)	9,334	(124,972)	3,858	(312,423)
– associates	–	–	–	(87,096)	–	–	(77,762)
	(182,943)	(146)	(8,220)	(77,762)	(124,972)	3,858	(390,185)
	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)	HK\$'000 (Audited)
Segment assets and liabilities							
As at 31 December 2023							
Reporting segment assets	442,320	511,073	7,954	81,698	806,819	162,413	2,012,277
Reporting segment liabilities	(545,248)	(426,626)	(3,529)	(32,356)	(343,918)	(797,984)	(2,149,661)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

4. SEGMENT INFORMATION (continued)

The Group's segment profit/(loss) reconciles to the Group's loss before income tax as presented in its unaudited condensed consolidated interim financial statements as follows:

	Twelve months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Profit or loss		
Total reporting segment loss before income tax	(43,020)	(390,185)
Unallocated corporate income/(expenses), net	1,094	4,224
Consolidated loss before income tax	(41,926)	(385,961)

Disaggregation of revenue from contracts with customers:

Segments	Twelve months ended 31 December 2024			
	Digital Video Business HK\$'000 (Unaudited)	New Energy Vehicles Business HK\$'000 (Unaudited)	Cloud Ecological Big Data Business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Geographical markets				
HK	-	-	-	-
The People's Republic of China (the "PRC")	495,106	269,194	3,879	768,179
Total	495,106	269,194	3,879	768,179
Major products and services				
Sale of digital video products	495,106	-	-	495,106
Provision of New Energy Vehicles charging services income	-	147,527	-	147,527
Processing income related to new energy vehicle spare parts	-	121,667	-	121,667
Provision of big data services income	-	-	3,879	3,879
Sale of construction materials	-	-	-	-
General trading	-	-	-	-
Total	495,106	269,194	3,879	768,179
Timing of revenue recognition				
At a point in time	495,106	269,194	3,879	768,179

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

4. SEGMENT INFORMATION (continued)

Segments	Twelve months ended 31 December 2023						Total HK\$'000 (Audited)
	Digital Video Business HK\$'000 (Audited)	New Energy Vehicles Business HK\$'000 (Audited)	Cloud Ecological Big Data Business HK\$'000 (Audited)	Properties Developments HK\$'000 (Audited)	General Trading HK\$'000 (Audited)		
	Geographical markets						
HK	-	-	-	-	793	793	
The PRC	229,223	211,277	2,799	1,294	3,065	447,658	
Total	229,223	211,277	2,799	1,294	3,858	448,451	
Major products and services							
Sale of digital video products	229,223	-	-	-	-	229,223	
Provision of New Energy Vehicles charging services income	-	176,921	-	-	-	176,921	
Processing income related to new energy vehicle spare parts	-	34,356	-	-	-	34,356	
Provision of big data services income	-	-	2,799	-	-	2,799	
Sale of construction materials	-	-	-	1,294	-	1,294	
General trading	-	-	-	-	3,858	3,858	
Total	229,223	211,277	2,799	1,294	3,858	448,451	
Timing of revenue recognition							
At a point in time	229,223	211,277	2,799	1,294	3,858	448,451	

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

5. OTHER INCOME

An analysis of the Group's other income is as follows:

	Twelve months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Bank interest income	428	1,370
Written off of trade payable	–	3,827
Interest income from third parties	–	5,497
Interest income from associates	–	8,040
Government grants	18,455	11,073
Reversal of impairment of inventories	–	13
Gain on disposal of property, plant and equipment	2,081	616
Net foreign exchange difference	(5,387)	8,753
Others	1,334	307
	16,911	39,496

6. OTHER GAINS AND LOSSES, NET

An analysis of the Group's other gains and losses, net is as follows:

	Twelve months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Expected credit loss on trade receivables	–	(98,193)
Expected credit loss on other receivables	–	(51,168)
Impairment loss on property, plant and equipment	–	(91,655)
Fair value gain on investments at fair value through profit or loss	5,779	9,600
Fair value changes of investment properties	–	(25,723)
Gain on disposal of investments at fair value through profit or loss	1,574	9,264
	7,353	(247,875)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

7. FINANCE COSTS

	Twelve months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Interest expenses on borrowings:		
– Interest expenses on bank loans	28,931	47,543
– Interest on notes payable and loans from third parties	23,087	6,476
– Interest on lease liabilities	1,296	1,071
	53,314	55,090

8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	Twelve months ended	
	31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Depreciation of property, plant and equipment	56,751	66,258
Depreciation of right-of-use assets	3,715	3,174
Employee benefit expenses (including directors' remuneration):		
– Wages and salaries	63,235	71,575
– Pension scheme contributions	9,943	10,002
– Other staff benefits	8,276	8,986
	81,454	90,563
Foreign exchange loss/(gain), net	5,387	(8,753)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

9. INCOME TAX (EXPENSE)/CREDIT

No provision of Hong Kong Profit Tax has been provided in the unaudited condensed consolidated interim financial statements as the Group incurred losses for the Period in Hong Kong.

The rate of corporate income tax of the PRC is calculated at a standard rate of 15% and 25% (twelve months ended 31 December 2023: 15% and 25%) on the estimated assessable profits arising from its operation in the PRC.

The amount of income tax (expense)/credit includes in profit or loss represents:

	Twelve months ended 31 December	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Audited)
Current tax for the Period – the PRC	4,291	854
Deferred tax	(769)	(3,522)
	3,522	(2,668)

10. LOSS PER SHARE

The calculation of basic loss per share for the Period is based on the loss for the Period attributable to owners of the Company of approximately HK\$45,448,000 (twelve months ended 31 December 2023: loss of approximately HK\$383,293,000) and the weighted average number of 5,472,000,000 (twelve months ended 31 December 2023: 5,472,000,000) ordinary shares in issue during the Period.

The diluted loss per share for both the twelve months ended 31 December 2024 and 2023 are the same as the respective basic loss per share as the impact of potential ordinary shares have an anti-dilutive effect on the basic loss per share for these periods.

11. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the twelve months ended 31 December 2024 (twelve months ended 31 December 2023: HK\$Nil).

12. PROPERTY, PLANT AND EQUIPMENT

During the Period, approximately HK\$11,158,000 (twelve months ended 31 December 2023: approximately HK\$23,456,000) was spent on of plant and equipment which was mainly spent on the establishment of electric vehicles charging facilities. There was disposal and written off of plant and equipment which was mainly electronic vehicles charging facilities of approximately HK\$39,012,000 (twelve months ended 31 December 2023: HK\$1,373,000) during the Period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

13. TRADE RECEIVABLES

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade receivables	351,204	394,453

The Group's trading terms with its customers are mainly on credit, except for the new customers, where payment in advance is normally required. The credit period generally ranges from 0 to 360 days (31 December 2023: 0 to 360 days). Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing.

An aging analysis of the trade receivables (net of impairment loss) as of the end of reporting period, based on the invoice dates, is as follows:

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Within 90 days	48,808	79,267
91 days to 180 days	1,597	1,462
181 days to 1 year	1,763	6,651
Over 1 year	299,036	307,073
	351,204	394,453

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

14. TRADE AND NOTES PAYABLES

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Trade payables	479,824	944,651
Notes payables	240,435	277,045
	720,259	1,221,696

An aging analysis of the trade payables as at the end of reporting period, based on the invoice date, is as follows:

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Outstanding balances with ages:		
Within 180 days	49,219	127,331
181 days to 1 year	9,762	35,967
1 to 2 years	63,135	719,949
Over 2 years	357,708	61,404
	479,824	944,651

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

15. BANK AND OTHER LOANS

	Notes	As at 31 December 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Bank loans	(i)	409,132	607,170
Other loans	(ii)	460,612	68,104
		869,744	675,274

Notes:

- (i) Bank loans bear interest at variable rates by reference to the People's Bank of China's lending rate, ranging from 3.0% to 6.0% per annum (31 December 2023: from 3.0% to 6.0% per annum).
- (ii) The other loans bear interest at fixed rates 6.0% per annum (31 December 2023: 5.8% to 6.0% per annum). Other loans of approximately HK\$402,910,000 were secured by certain property, plant and equipment of the Group of approximately HK\$276,254,000 and the Group's interests in an associate.

16. SHARE CAPITAL

	As at 31 December 2024 HK\$'000 (Unaudited)	As at 31 December 2023 HK\$'000 (Audited)
Authorised:		
10,000,000,000 ordinary shares of HK\$0.1 each	1,000,000	1,000,000
Issued and fully paid:		
5,472,000,000 ordinary shares of HK\$0.1 each	547,200	547,200

Share options

Details of the Company's share option schemes and the share options issued under the schemes are included in note 17 to the unaudited condensed consolidated interim financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

17. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 29 May 2014, the Company approved and adopted a share option scheme (the "Scheme").

The purpose of the Scheme is to provide incentives and/or rewards to any director, consultant, advisor person including full-time or part-time employee of the Company and its subsidiaries, at the sole discretion of the board, for their contribution to, and their continuing efforts to promote the interests of the Company. The schemes became effective on 30 May 2014 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. Upon the expiration of the Existing Share Option Scheme on 29 May 2024 (the "Expiry Date"), no further options were offered.

The Scheme

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of the offer. The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, whichever is earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

During the Period and up to the Expiry Date, no share options have been granted, lapsed or exercised under the Scheme, the outstanding share options was 547,200,000 at the end of the Period.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the twelve months ended 31 December 2024

18. RESERVES

The Group's contributed surplus represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the group reorganisation, over the nominal value of the Company's shares issued in exchange therefore.

In accordance with the relevant regulation in the PRC, the subsidiaries operating in the PRC are required to transfer 10% of their profits after tax, as determined under the accounting regulations in the PRC, to the statutory surplus reserve, until the balance of the fund reaches 50% of their respective registered capital. The statutory surplus reserve and the expansion reserve are non-distributable, and are subject to certain restrictions set out in the relevant regulations in the PRC. These reserves can be used either to offset against accumulated losses or be capitalised as paid-up capital. However, such balance of the statutory surplus reserve must be maintained at a minimum of 25% of paid-up capital after the above mentioned usages.

19. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Group does not have any contingent liability in the Period under review (31 December 2023: Nil). The Group had capital commitment of approximately HK\$137,630,000 as at 31 December 2024 (31 December 2023: approximately HK\$150,449,000).

20. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the unaudited condensed consolidated interim financial statements, the Group had the following material transactions with related parties during the twelve months ended 31 December 2024:

- (a) During the Period, total compensation paid to the Directors of the Company was approximately HK\$892,000 (twelve months ended 31 December 2023: approximately HK\$1,465,000).

The Group has not made any impairment in respect of related party receivable nor has any guarantee been given or received during the current or prior period regarding related party transactions.

21. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

This unaudited condensed consolidated interim financial statements were approved and authorised for issue by the Board of Directors on 28 February 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Overall Financial Results

For the twelve months ended 31 December 2024, the Group achieved approximately HK\$786,941,000 in turnover, representing an increase of approximately 67% from that of approximately HK\$471,779,000 during the same period of last year which was mainly due to the increase in the trading sales in both the Digital Video Business and the New Energy Vehicles Business. Gross profit was approximately HK\$74,103,000 comparing to the gross profit of approximately HK\$61,739,000 during the corresponding period of last year period-on-period increased of approximately HK\$12,364,000. Due to the lower gross profit margin of trading sales, the overall gross profit ratio decreased from approximately 13% to approximately 9%. Loss for the period attributable to owners of the Company was approximately HK\$45,449,000 (loss for the corresponding period of last year: approximately HK\$383,293,000). The decrease in loss was mainly due to the other losses incurred in the same period of last year from the expected credit loss on trade receivables and other receivables, and impairment loss on property, plant and equipment of approximately HK\$241,016,000 and the share of profit from associates is approximately HK\$12,836,000, an improvement from a loss of approximately HK\$87,069,000, representing a decrease in loss of HK\$99,932,000. Basic loss per share was approximately HK0.83 cents (loss for the corresponding period of last year: approximately HK7.00 cents). As at 31 December 2024, the balance of cash and cash equivalents was approximately HK\$3,976,000 (31 December 2023: approximately HK\$4,247,000).

Turnover

For the Period under review, the Group recorded a turnover of approximately HK\$786,941,000 which is contributed by the Digital Video Business, the New Energy Vehicles Business, the Cloud Ecological Big Data Business, Property Development, Properties Investments and General Trading.

During the Period, the Group's business has six segments (31 December 2023: six segments). Details of the segment information are set out in note 4 of the unaudited condensed consolidated interim financial statements.

Gross Profit Margin

During the Period under review, the gross margin decreased from approximately 13% to approximately 9%.

Financial Position and Liquidity

As at 31 December 2024, the gearing ratio was 1.37 (31 December 2023: 1.35), which was measured on the basis of the Group's net debt divided by the capital plus net debt. The Group had net current liabilities as at 31 December 2024 and 31 December 2023.

For the period under review, the Group incurred approximately HK\$408,288,000 (31 December 2023: approximately HK\$1,156,000 outflow) of net cash outflow from its operations. As at 31 December 2024, the Group had cash and cash equivalents of approximately HK\$3,976,000 (31 December 2023: approximately HK\$4,247,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Capital Structure and Foreign Exchange Risk

During the period under review, the Capital structure of the Group remained unchanged.

The Group's monetary assets, loans and transactions are principally denominated in Renminbi ("RMB") and HK\$ (31 December 2024 and 31 December 2023: RMB, HK\$). The Group is exposed to foreign exchange risk arising from the exposure of US\$ against RMB and HK\$. Considering that the HK\$ is pegged to the US\$, the Group believes its exposure to exchange risk will be confined to RMB against US\$. During the Period, the Group does not intend to hedge its exposure to foreign exchange fluctuations, but will constantly monitor the economic situation and its foreign exchange risk position, and will consider appropriate hedging measures in future as may be necessary and feasible.

Employees Benefit and Expenses

As at 31 December 2024, the total number of employees of the Group was 399 (31 December 2023: 395). The total amount of employee benefit and expenses incurred during the Period was approximately HK\$81,454,000 (31 December 2023: approximately HK\$90,563,000). The Group determines employees' remuneration by the work responsibilities, job performance and professional experience. The Group also provides employees on-job training from time to time to upgrade the knowledge, skills and overall caliber of its employees.

INTERIM DIVIDENDS

The Directors do not recommend the payment of any interim dividend for the twelve months ended 31 December 2024 (31 December 2023: HK\$Nil).

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in (1) manufacturing and sales of digital television ("TV"), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of telecommunication, TV and internet in the digital video industry ("Digital Video Business"); (2) the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems ("New Energy Vehicles Business"); (3) the application and management of cloud ecological big data industry ("Cloud Ecological Big Data Business"); (4) properties development of big data industrial park commercial and residential properties ("Properties Development"); and (5) properties investment for rental income from the big data industrial park ("Properties Investments").

MANAGEMENT DISCUSSION AND ANALYSIS

In the twelve months ended 31 December 2024, The Group is undertaking capacity adjustments and improvements in Digital Video Business, as well as strengthening the Group's overall working capital management, to prepare for and embrace new opportunities arising from the further comprehensive deepening of reforms and the promotion of Chinese-style modernization expected at the Third Plenary Session of the Twentieth Central Committee of the Communist Party of China, the Group has recorded turnover from: (1) the Digital Video Business of approximately HK\$495,106,000 for the twelve months ended 31 December 2024 (twelve months ended 31 December 2023: approximately HK\$ 229,223,000), representing an increase of approximately 116% as compared with last year's corresponding period; (2) the New Energy Vehicles Business of approximately HK\$269,194,000 for the twelve months ended 31 December 2024 (twelve months ended 31 December 2023: approximately HK\$211,277,000), representing an increase of approximately 27% as compared with last year's corresponding period; (3) the Cloud Ecological Big Data Business of approximately HK\$3,879,000 for the twelve months ended 31 December 2024 (twelve months ended 31 December 2023: approximately HK\$2,799,000), representing an increase of approximately 39% as compared with last year's corresponding period; (4) the property development of HK\$Nil for the twelve months ended 31 December 2024 (twelve months ended 31 December 2023: HK\$1,294,000); (5) the properties investments of approximately HK\$18,762,000 for the twelve months ended 31 December 2024 (twelve months ended 31 December 2023: approximately HK\$23,328,000), representing a decrease of approximately 20% as compared with last year's corresponding period; and (6) general trading of approximately HK\$Nil for the twelve months ended 31 December 2024 (twelve months ended 31 December 2023: HK\$ 3,858,000).

As at 31 December 2024, the Group was operating: (1) 102 electric vehicles charging stations in Hangzhou with 375 alternating current chargers of 7KW/H, 1,582 alternating current chargers of 80KW/H, 340 alternating current chargers of 100KW/H and 220 alternating current chargers of 120KW/H (totally 2,517 alternating current chargers); 306 direct current chargers of 60KW/H, 770 direct current chargers of 80KW/H, 419 direct current chargers of 100KW/H and 1,312 direct current chargers of 120KW/H (totally 2,807 direct current chargers) in operation; (2) 4 electric vehicles charging stations in Wuhan with 61 alternating current chargers of 7KW/H and 16 direct current chargers of 60KW/H in operation; (3) 13 electric vehicles charging stations in Nanjing with 32 alternating current chargers of 7KW/H, 22 direct current chargers of 60KW/H and 148 direct current chargers of 120KW/H in operation; and (4) 1 electric vehicles charging station in Suzhou with 7 direct current chargers of 60KW/H. The Board is of the view that the PRC Government has emphasized on the use of new energy vehicles to reduce carbon emissions and the increase in support to the establishment of the new energy vehicles charging piles and its related operations and hence the New Energy Vehicles Business is with substantial growth potential. The Group will continue to invest in the New Energy Vehicles Business and further establish electric vehicles charging stations in Hangzhou and other provinces in the PRC to capture the electric vehicles charging market shares with the aim to be one of the largest new energy vehicles charging facilities operators in the PRC.

The Group entered into a letter of intent for an equity transfer on 28 June 2024, to dispose of 100% equity interest in its wholly-owned subsidiary, Hangzhou Lu Yun Property Limited. Given the Group's losses over the past few years, it has been reviewing its existing businesses and improving its financial resources to seize any promising business opportunities that may arise in the foreseeable future, while also reducing its gearing. As of the date of this announcement, no binding agreement, arrangement, or commitment regarding the potential disposals has been entered into by the Company.

The Directors will continue to (1) closely evaluate the performance of the above mentioned businesses; (2) invest in the New Energy Vehicles Business, the Cloud Ecological Big Data Business and the properties development of big data industrial park; (3) actively explore new businesses or investments; (4) consider fund raising opportunities which can strengthen the financial position; and (5) focus on product quality and cost control and strictly control capital expenditure in order to continuously maintain the Group's competitiveness in order to enhance the value of the Group which will be in the interests of the Company and shareholders as a whole.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2024, so far as the Directors are aware, the following persons have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or who is, directly or indirectly interested in 5% or more in the issued share capital of the Company, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Type of interests	Number of Shares	Percentage of interests
Alpha Century Assets Limited (Note 1)	Beneficial owner	600,000,000(L)	10.96%
Ms. Wong Sin Fung (Note 1)	Interest of controlled corporation	600,000,000(L)	10.96%
SOYEA Technology Co., Limited	Beneficial owner	546,466,000(L)	9.99%

Notes:

1. The interest in 600,000,000 shares is deemed corporate interest through Alpha Century Assets Limited.
2. The letter "L" denotes a long position and "S" denotes a short position.

Save as disclosed above, so far as the Directors are aware, no person was interested in or had a short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of SFO as at 31 December 2024.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As at 31 December 2024, none of the Directors and Chief Executive had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Division 7 and 8 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the twelve months ended 31 December 2024.

DIRECTORS' COMPLIANCE WITH MODEL CODE

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standards of the Model Code throughout the twelve months ended 31 December 2024.

COMPLIANCE ON CORPORATE GOVERNANCE PRACTICES

For the Period, the Company complied with all the code provisions in the Corporate Governance Code (the "CG Code"). The Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make necessary arrangements.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management of the Company the accounting principals and practices adopted by the Group and financial reporting matters including a review of the unaudited condensed consolidated interim financial statements for the twelve months ended 31 December 2024 with the Directors.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement and interim report of the Group for the twelve months ended 31 December 2024 are available for viewing on the website of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") at www.hkex.com.hk and on the website of the Company at www.irasia.com/listco/hk/2358.

BOARD OF DIRECTORS

As at the date of this announcement, the Executive Directors are Mr. Chen Yunxiang and Ms. Chen Shan, the Independent Non-executive Directors are Mr. Chen Zheng, Mr. Wong Chi Kin and Mr. Hua Nengdong.

On Behalf of the Board
Jiu Rong Holdings Limited
Chen Yunxiang
Executive Director

Hong Kong, 28 February 2025